

**1999 MICHIGAN  
HISTORIC PRESERVATION TAX CREDIT**

Attachment Sequence No. 8

Issued under P.A. 534 and 535 of 1999. Filing is voluntary.

|                                                                      |                                                         |
|----------------------------------------------------------------------|---------------------------------------------------------|
| 1. Filer's First Name, Middle Initial and Last Name or Business Name | 2. Filer's Social Security No., or Business FEIN/TR No. |
|----------------------------------------------------------------------|---------------------------------------------------------|

3. **State Equalized Value (SEV).** Enter the State Equalized Value (SEV) of the resource. (If multiple projects, see instructions.) ..... \$ .....00
4. **Qualified Expenditures.** Enter the qualified expenditures for the rehabilitation of the historic resource ..... ► 4. \$ .....00
5. Multiply line 4 by 25% (.25) ..... 5. \$ .....00
6. Enter the total amount of credit claimed on U.S. 3468, Investment Credit, line 1c ..... ► 6. \$ .....00
7. Current year Michigan Historic Preservation Tax Credit. Subtract line 6 from line 5 ..... 7. \$ .....00
8. Enter assigned credit from Form 3614 ..... 8. \$ .....00
9. **Michigan Historic Preservation Tax Credit.** Add lines 7 and 8 ..... 9. \$ .....00

Single Business Tax filers - Enter the amount from line 9 on C-8000MC, line 51.

Individual Income Tax filers - Enter the amount from line 9 on MI-1040, line 24a.

Fiduciary Income Tax filers - Enter the amount from line 9 on MI-1041, line 19a.

**Tax Liability Limitation - Individual Income Tax filers, and Fiduciary filers:**

10. Complete the worksheet below to determine the amount of credit needed to offset the current tax liability. Credit, in excess of the current liability, can be carried forward for up to ten years to offset a future liability.
- a. Tax from your 1999 MI-1040, line 18 or 1999 MI-1041, line 13 ..... a. \$ .....00
- b. Total nonrefundable credits from your 1999 MI-1040, lines 19b, 20b, 21b, 22b, 23b and 25b or 1999 MI-1041, lines 15b, 16b, 17b and 18b ..... b. \$ .....00
- c. Subtract line 10b from line 10a (if less than zero, enter zero) ..... c. \$ .....00
- d. Enter the amount from line 9 above ..... d. \$ .....00
- e. **Michigan Historic Preservation Tax Credit.**  
Enter the smaller line 10c or 10d.  
Enter the amount from line 10e on your 1999 MI-1040, line 24b or line 19b of 1999 MI-1041 ..... e. \$ .....00

# Instructions for Completing Form 3581

## Michigan Historic Preservation Tax Credit

The Michigan Historic Preservation Tax Credit provides tax incentives for homeowners, commercial property owners and businesses to rehabilitate historic commercial and residential resources located in the State of Michigan.

### What is the Credit

The Michigan Historic Preservation Tax Credit is a nonrefundable credit. However, if the credit exceeds the taxpayer's tax liability, the balance of the credit may be carried forward up to ten years.

This credit is available to qualified taxpayers, with a rehabilitation plan certified after December 31, 1998 and before January 1, 2003. The credit must be claimed in the year that the certification of completed rehabilitation of the historic resource is issued, and within five years of the year the rehabilitation plan was certified.

Taxpayers may receive a Michigan credit equal to 25 percent of the qualified expenditures. For taxpayers eligible for the federal credit under Section 47(a)(2) of the Internal Revenue Code (IRC), the Michigan credit is 25 percent of the qualified expenditures less the amount of the federal credit claimed.

**NOTE:** If the resource is sold or the certification of completed rehabilitation is revoked less than five years after the credit is claimed, a percentage of the credit will be subject to recapture.

### Eligibility

The Michigan Historic Preservation Tax Credit is available to eligible assignees, owners or long-term lessees of qualified historic resources who undertake rehabilitation projects that are certified by the State Historic Preservation Office (SHPO), Michigan Historical Center, Michigan Department of State.

Property owners undertaking rehabilitation projects on depreciable properties that qualify for the federal historic preservation tax credit, must first apply for the federal credit.

### Qualified Expenditures

Qualified expenditures are capital expenditures that qualify for the federal rehabilitation credit if the taxpayer is eligible for that credit or capital expenditures that would qualify for the federal credit except that the expenditures were made for a historic resource that is not eligible for the federal credit. A taxpayer with qualified expenditures eligible for the federal credit must claim and receive the federal credit to qualify for the Michigan credit. The expenditures must be paid after December 31, 1998 for the rehabilitation of a historic resource but not more than five years after the certification of the rehabilitation plan.

The amount of the qualified expenditures must be equal to or greater than 10 percent of the State Equalized Value (SEV) of the rehabilitated property. If the historic resource to be rehabilitated is part of a historic or non-historic resource, only the SEV for that portion can be used. If the SEV has not been determined for the historic portion, or the historic resource to be rehabilitated does not have an SEV, the total qualified expenditures must be equal to or greater than 5 percent of the resource's appraised value.

### Line - By - Line Instructions

**Line 3: State Equalized Value (SEV).** If you have multiple projects, leave this line blank and attach a separate list which includes the property name, SEV and qualified expenditures for each project.

**Line 4: Qualified Expenditures.** If multiple projects, enter the total qualified expenditures for all projects.

**Line 6:** If you are eligible, you must claim the Federal Rehabilitation Credit on U.S. 3468, Investment Credit. Enter the amount from U.S. 3468, line 1c for property located in Michigan.

**Line 8:** If you were assigned the Historic Preservation Credit, enter the amount of the assigned credit from the completed *Historic Preservation Credit Assignment*, form 3614. Do not complete lines 3 through 7 unless you are claiming a Historic Preservation Credit for a project other than the credit for which you were assigned.

**Line 10:** Individual and fiduciary income tax filers, calculate the amount of historical credit needed to offset your tax liability. Enter the amount from line 10e on your 1999 MI-1040, line 24b or on your 1999 MI-1041, line 19b. Credit in excess of the tax liability may be used in subsequent years.

### Attachments

To claim your credit, you **must** attach the items listed below to your MI-1040, MI-1041 or C-8000.

- Completed Michigan Historic Preservation Tax Credit (form 3581)
- Certificate of Completed Work
- Certificate of historic significance related to the historic resource
- A detailed list of qualified expenditures
- Completed *Historic Preservation Credit Assignment*, form 3614, if applicable

### Treasury Forms are Available From:

- Michigan Department of Treasury web site at: [www.treasury.state.mi.us](http://www.treasury.state.mi.us)
- 1-800-FORM-2-ME (1-800-367-6263)

### Questions

- If you have questions regarding the tax credit, contact the Michigan Department of Treasury:  
Individual Income Tax - 1-800-487-7000  
Single Business Tax - (517) 373-8030
- If you have questions regarding federal and state certification, contact the State Historic Preservation Office, Michigan Historical Center, Michigan Department of State at (517) 373-1630

### Additional Information is Available at:

State Historic Preservation Office  
[www.sos.state.mi.us/history/preserve](http://www.sos.state.mi.us/history/preserve)

Federal Historic Preservation Tax Incentives  
[www2.cr.nps.gov/](http://www2.cr.nps.gov/)